

## IC4D REGIONAL HIGHLIGHTS BY MAIN TOPICS

### Telecommunications FDI

- ❖ During 1990–2003, telecommunications projects accounted for 12 percent of FDI in developing countries. Low-income countries received just 6 percent of such investment.
- ❖ Latin America and the Caribbean attracted more than half of FDI in telecommunications, while Eastern Europe and Central Asia received about a quarter. These two regions (with mostly middle-income countries) together received about 80 percent of the overall worldwide FDI flows in telecommunications.
- ❖ Latin America and the Caribbean and Eastern Europe and Central Asia are the two regions where foreign capital has become a significant source of funding for the telecommunications sector. On the other hand, in South Asia and in East Asia and Pacific, a substantial portion of telecommunications investments came from domestic investors, including large family groups that historically kept their investments within the region.
- ❖ Brazil, with \$51 billion, was the top single recipient of telecommunications FDI.
- ❖ India (at \$4.8 billion) and Russia (close to \$2 billion) ranked 11th and 17th, respectively.
- ❖ Although the BRIC (Brazil, Russian Federation, India, and China) economies together attracted 30 percent of telecommunications FDI from 1990 through 2003, China had no foreign direct investments in telecommunications because of the restrictions it placed on FDI in this sector.
- ❖ Over 85 percent of South-South telecommunications FDI flows during 1990–2003 stayed within the same geographic region. East Asia and Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean, and the Middle East and North Africa received South-South FDI only from investors in their respective regions.
- ❖ Middle East and North African telecommunications FDI to Sub-Saharan Africa has included investments from Morocco and Tunisia to Mauritania, and from the Arab Republic of Egypt to 12 Sub-Saharan African countries.

### Telephone subscription rate

- ❖ Among developing regions, the telephone subscription rate is highest in Eastern Europe and Central Asia, where between 2000 and 2004 it more than doubled to 730 per 1,000 people.
- ❖ Growth, however, was highest in Sub-Saharan Africa, with the rate tripling — albeit to a still-low 103 subscribers per 1,000 people.
- ❖ On aggregate, there are now more mobile than fixed phones, and about 70 percent of the developing world's population (over 50 percent in Sub-Saharan Africa) lives within the footprint of mobile phone service.
- ❖ There are large differences in wait days for telephone connections across countries and regions. For example, businesses in the Middle East and North Africa region wait, on average, 132 days for a telephone line connection. This is almost eight times the wait in either the East Asia and Pacific region or the Eastern Europe and Central Asia region.
- ❖ Businesses in the Middle East and North Africa and in Sub-Saharan Africa are more than five times likely to experience telephone service interruptions than firms in Latin America and the Caribbean or in South Asia.

### Internet use

- ❖ Worldwide, Internet use more than quadrupled between 2000 and 2005.
- ❖ Eastern Europe and Central Asia is in the lead among developing regions, with 117 Internet users per 1,000 people in 2004 — four times as many as in 2000 and six to eight times as many as in South Asia and Sub-Saharan Africa.
- ❖ During this period, the fastest growth of 370 percent occurred in the Middle East and North Africa.